A Study on the Investment behavior of upper and middle-class individuals in Mutual funds in Delhi NCR.

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By
Devender Kumar Yadav
(Admission No: 231011)

UNDER THE GUIDANCE OF
Prof. (Dr.) Sanjeev Kumar
Professor
Alabbar School of Management

DEPARTMENT OF MANAGEMENT
RAFFLES UNIVERSITY
NEEMRANA, RAJASTHAN – 333001
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RAFFLES UNIVERSITY
Research Cell

(i) Title	A Study on the Investment Behavior of Upper and Middle – Class Individuals in Mutual Funds in Delhi NCR
(ii) Name of Scholar	Devender Kumar Yadav
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(v) Proposed research supervisor name	Prof. (Dr.) Sanjeev Kumar
(vi) Research supervisor designation	Professor
(vii) School Name	Alabbar School of Management

Signature of Student

Signature and Seal of Guide

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1. INTRODUCTION

Saving habits plays a very important role to live a decent life, we all invest in different ways but todays the most favorable option for investments is mutual fund, without taking much risk. As individuals, we allocate a portion of our earnings towards expenses and preserve the remainder to fulfill future needs. Rather of leaving the resources unused or investing them in low-yield options, it is advisable to invest the assets in a way that ensures substantial returns while minimizing the amount of risk. Time and risk are the fundamental components of investing. The act of sacrifice is now occurring and is inevitable. Anticipated advantages are likely to occur in the future and are often characterized by a lack of certainty. Some investments are characterized by a dominating risk factor, while others are characterized by a dominant time aspect.

The Globalization of the financial industry has resulted in a significant and multi-faceted growth in investments. Additional markets have been established; innovative instruments have been created; novel services have been introduced. For the majority of individuals and families, mutual funds have become the main method of investing in capital markets. An examination of the dynamic realm of mutual funds reveals their enduring dominance, much like other investment vehicles. Over the last decade, significant developments have occurred, such as alterations in market capitalization, the emergence of new fund types, and the broadening of the mutual fund concept to include investments in commodities.

When investing in mutual funds, individuals sometimes mistakenly assume that the previous success of a fund is a very accurate indicator of its future possibilities. When making investments, they operate on the assumption that previous returns may foretell future performance and vice versa. Individuals tend to overestimate their capacity to accurately select better funds just based on their prior performance. Consequently, this results in misguided investment. Oftentimes, mutual fund investors make the mistake of selling their winning funds and holding onto their losing ones. Engaging in this activity inside a taxable account may result in the undesired realization of capital gains, so subjecting the individual to a tax penalty.

The Middle-Income Group plays a crucial role in bridging the gap between the elite and lowest segments of our society. Typically, families in the Middle-Income Group share the ambitions of High Income Families and want to avoid the hardships and challenges faced by those in the Lower Income Groups. Commonly held dreams often involve securing stable employment with a generous salary, acquiring a comfortable residence, obtaining access to quality healthcare,

ensuring a high standard of education for one's family, and enjoying a dignified retirement. Although these objectives may seem little, they nonetheless need careful consideration and preparation throughout one's career.

When considering investment possibilities, frequently recognized outlets include equity, bonds, insurance, bank deposits, gold, real estate, and more. Individuals often have a variety of these assets, together referred to as a "portfolio."

2. REVIEW OF LITERATURE

Aman. H, Motonishi.T, Ogawa . K. Omori . K.(2024) : The study revealed that in Japan as investors were aware about the financial literacy , they were more and more invested in the long term investment in the mutual funds, mutual funds were basically suitable for more return and less risks, but one main important point were arised that high educated people were sell mutual funds after slightly increase in price , which cause frequent increased in the turnover, this were leads to wards the diversified investment.

Otar. E. Salikzhanor. R. etal (2024): The study analyzed that to uplift the middle class social economic standard , entrepreneurship played a very important role, mostly people who choose entrepreneurship are between the age group of 25-34, mostly people attract toward entrepreneurship rather than the option to invest in mutual fund, which is a very unique finding.

Birwadkar.A. (2024): This study concluded that stock markets, Mutual funds attract various customers, this study help us to find out that middle class were many options like equity and stock, debt market, real estate , commodities and banks fixed deposits for investement, one main important things that derived from then study that middle and lower class were ready to take risk but in calculated manner.

Santoshi. G (2023): The study revealed that investors were aware about various investment areas like gold , silver , equity shares bonds, debentures, mutual funds but mostly people were aware and preferred gold silver followed by mutual fund for investments from this study it was findout that respondents were investing in less risks instrument but stills many of investors were failed to

know the investment, where they can get more return and less risks, so it were need to increase more awareness programme.

Dr. Binod Kumar Singh (2012): This study concluded that the states, structure, and operations of mutual funds. It also compares investing in mutual funds to investment in banks and includes the computation of Net Asset Value (NAV). This article examines the effects of several demographic characteristics on investors' perception of mutual funds. In order to effectively and efficiently analyze collected data and draw accurate conclusions, the Chi-square test has been utilized to measure various phenomena. Additionally, ranking was conducted based on weighted scores to analyze the factors influencing investment in mutual funds, and scoring was also performed using a scale.

John Banko, Scott Beyer, Richard Dowen (2010): Researchers suggest that customers need risk-return trade-off information, credibility information to reduce principal-agent conflicts, and transaction cost information for investment choices. This article examines the presence of such information in marketing for mutual funds. We analyzed all Barron's and Money ads over two years to see how well mutual fund advertising aligns with ideas on optimum investing choices. The study examined techniques that influence advertisement noting (size and color) and copy readership (visual size, text length, USP/brand differentiation, celebrity endorsements, competitor comparisons, emotional appeals). This study examined convenience information, such as investment minimums, access to agents or account information, and liquidity, in mutual funds, a financialservice. Mutual fund commercials lack essential information for informed investing choices. Mutual funds use strategies to boost ad visibility and discourage reading. They seldom provided convenience information. Mutual fund ads aim to activate brand-quality and long-copy-quality heuristics. Further study is needed to discover whether consumers use these two heuristics while seeing mutual fund ads. Mutual fund advertising fails customers. Regulators should mandate mutual fund ads to contain a simple table summarizing investing facts for customer decision-making

Jonas Nilsson (2009): The objective of this article is to examine the factors that drive consumers to engage in socially responsible investment (SRI) profiled mutual funds. The article specifically examines the impact of financial return and social responsibility on the investment choice for SRI profiled mutual funds. A cluster analysis method was used to categorize 563 socially responsible investors into distinct categories based on their individual assessments of the

significance of financial return and social responsibility. In addition, discriminant analysis and chi-square tests were used to create profiles of the segments.

Faten Sabry, Winai Wongsurawat (2008): The objective of this study is to provide a description of the data collected from all registered US investment businesses on advisory fees, using the NSAR filings. Additionally, it aims to assess how the form of advisory contracts affects the fees paid to mutual fund advisers. This approach is especially pertinent at now, since mutual funds are now required to explain the reasoning behind their selection of advising fees in their public disclosures. The document provides a summary of information on advisory fees found in the NSAR filings. Additionally, it utilizes regression analysis to investigate the factors that influence advice fees. The report provides a concise overview of the notable characteristics of mutual fund advisory fee contracts by using the NSAR database. The research demonstrates that breakpoint fee schedules, which are intended to provide cost reductions, do not always result in decreased expenditures for the investors. When deciding whether to extend an advising contract, the board of trustees of a mutual fund must evaluate several aspects pertaining to the fund's expenditures and earnings, including the structure of the fee schedule. Regression models provide unbiased metrics for evaluating the appropriateness of advice fees. This study adds to the continuing discussion over the assessment of advisory fees for mutual funds and emphasizes the value of the NSAR filings. The topic is particularly pertinent in light of the supplementary SEC disclosure requirements.

Jonas Nilsson (2009): This article explores why consumers invest in SRI mutual funds. The research examines how financial return and social responsibility impact investment decisions in SRI mutual funds. A cluster analytic technique categorized 563 SR-investors into categories based on their prioritization of financial return and social responsibility. Segment profiles were created using discriminant analysis and chi2 tests. Three SR-investor groups established. "Primarily concerned about profit" SR investors prioritize financial gain before social responsibility. The socially responsible prioritize social duty above financial gain. SR-investors prioritize both profit and social responsibility while choosing SRI investments. The segments differed in profile factors.
Since replies were gathered from one SRI provider, they may not completely reflect all SR-investors.

As SR-investors participate in SRI for various reasons, SRI providers may tailor communication to certain groups. This research offers insights into how private SR – investors balance financial return and social responsibility in SRI investments, benefiting both academics and the SRI business. Recognizing SR-investor motives is crucial for creating effective marketing tactics in the SRI business.

Faten Sabry, Winai Wongsurawat (2008): This article aims to assess the influence of advisory contract structure on mutual fund advisor fees for all registered US investment businesses, utilizing NSAR filings to gather data. This research is important since mutual funds must justify their advising fee selection in public filings. The study analyzes advisory fees from NSAR filings using regression analysis to identify their drivers.
The report highlights key elements of mutual fund advising fee contracts using the NSAR database. Analysis indicates that breakpoint fee schedules incentivizing savings do not always reduce investor expenditures.
To extend an advising contract, a mutual fund board of trustees must evaluate many criteria, such as the fee schedule, relating to expenses and earnings. Regression models objectively evaluate the fairness of advice fees. This article adds to the mutual fund adviser fee assessment discussion and underscores the value of NSAR filings. The argument is significant due of increasing SEC disclosure obligations.

Timo Korkeamaki, Vesa Puttonen, Tom Smythe (2007): Indicated that the objective of the article is to analyze the impact of advertising on the movement of cash in mutual funds within the Finnish fund market. The paper's distinctive dataset enables the examination of the impact of monetary expenditure on advertising and the selection of advertising channels. The study concludes that neither the previous year's success nor advertising in isolation is capable of generating higher cash flows. Nevertheless, the combination of advertising and previous success has been seen to have a substantial impact on cash flows. The beneficial impact of advertising is restricted to the use of non-perishable advertising channels. Furthermore, research has shown that fund families who use a larger part of their budget on advertising tend to attract greater amounts of assets.
The data possess a distinctive quality in that they can discern fund families that engage in advertising, as well as the precise amount they allocated to advertising in a certain year,

including the dollar amount spent on five distinct media categories. Undoubtedly, the availability of fund level data would provide a more comprehensive review.

Bruce A. Huhmann, Nalinaksha Bhattacharyya (2005): Researchers suggest that customers need risk-return trade-off information, credibility information to reduce principal-agent conflicts, and transaction cost information for investment choices. This article examines the presence of such information in marketing for mutual funds. We analyzed all Barron's and Money ads over two years to see how well mutual fund advertising aligns with ideas on optimum investing choices. The study examined techniques that influence advertisement noting (size and color) and copy readership (visual size, text length, USP/brand differentiation, celebrity endorsements, competitor comparisons, emotional appeals). This study examined convenience information, such as investment minimums, access to agents or account information, and liquidity, in mutual funds, a financial service. Mutual fund commercials lack essential information for informed investing choices. Mutual funds use strategies to boost ad visibility and discourage reading. They seldom provided convenience information. Mutual fund ads aim to activate brand-quality and long-copy-quality heuristics. Further study is needed to discover whether consumers use these two heuristics while seeing mutual fund ads. Mutual fund advertising fails customers. Regulators should mandate mutual fund ads to contain a simple table summarizing investing facts for customer decision-making.

Donald Nelson, William H. Wells, Kevin J. Perry, Donald Hanson (2005): The Study revealed that in the summer of 1999, the Investment Company Institute (ICI) recommended optimal practices for fund directors. Corporate governance in mutual funds is a topical and practical topic after recent crises in the financial services sector. The research aims to assess the consistency of implementing 15 best practices among fund families. The data suggests that mutual funds generally follow ICI principles. It seems that most funds are working to safeguard investors and separate management and investor interests. These results impact proposed federal law. If mutual funds already have investor protection mechanisms, extra regulation is unnecessary.

Bala Ramasamy, Matthew C.H. Yeung (2003): This study concluded that the mutual fund business in developing nations has seen tremendous development in size and variety. However, research on mutual funds in developing economies is scarce. This study addresses this gap. The article examines the characteristics deemed significant by financial advisers in developing economies when selecting mutual funds. Our analysis examines Malaysia, where the mutual sector began in the 1950s but gained prominence in the 1980s due to government-led initiatives.

Our investigation identifies three key elements influencing mutual fund selection. Past performance, fund size, and transaction fees are constant. Fund management and investing style factors are not deemed significant. As developing global financial markets become more liberalized, our results may help multinational funds grow into these emerging countries.

Thomas A. Ayers, Eric Byrnes (2002): Explored the current trend of investment advisers and mutual fund complexes developing alternative investment products, including private investment funds. This text delves into the factors that contribute to the widespread appeal of various financial instruments.

Noel Capon, Gavan J. Fitzsimons, Rick Weingarten (1994): Examined the financial choices of wealthy investors in mutual funds. Derives several investor profiles based on data collected from over 300 rich investors. These investor categories vary in the sources of information they rely on for mutual fund investments, namely in their usage of financial advisors, and in the criteria they use to pick mutual funds. Furthermore, they exhibit discernible patterns in their mutual fund behavior and demographic traits. Formulates precise ramifications for financial institutions.

3. SCOPE OF STUDY

In India, there are several investment opportunities accessible to investors. Certain assets are considered marketable and liquid, whilst others are deemed illiquid. Some activities have a significant level of danger, while others have a little or negligible amount of risk. The investor must choose the appropriate investment options among these, based on their specific requirements, tolerance for risk, and projected returns. This clearly restricts the range of potential investments.

The research seeks to comprehend investor behavior in relation to investing in mutual funds. The research primarily examines several mutual fund schemes currently active in India, with a specific emphasis on those categorized as MIG (Middle Income Group) and HIG (High Income Group). To comprehend investor behavior, we will use primary data in the form of a questionnaire, as well as secondary material such as research papers, books, and journals. This study is complemented by the evaluation conducted by Fund Managers for many popular funds such as equities funds, balanced funds, sectoral funds, index funds, and others. The study will

also prioritize the risk-return characteristics and the evaluations conducted by credit rating agencies such as CRISIL, ICRA, CARE, and Fitch.

4. OBJECTIVE

The research is being conducted with the following aims in mind:

(1). To determine the degree of investor knowledge about mutual fund investments.

(2) To determine the variables that influence investors' selection of mutual funds.

(3) The purpose is to recognize the need for Mutual Fund investments and assist investors in choosing suitable investment opportunities.

(4) To determine the investment method chosen by investors (either directly via a fund house or through brokers).

5. RATIONALE OF THE STUDY

The study of being undertaken to understand the investment habits of MIG and HIG in Mutual Funds in India. While the investors evaluate the fund on the basis of risk and return, the increasing competition among mutual funds has made things look very different. Each mutual fund tries to understand the investment objectives of the investors and comes up with schemes that suit the investors. Also, it is seen that the buying habits of the two group of investors viz. MIG and HIG differ in many respects. The study aims at understanding these differences and makes an attempt to ascertain if the investment habits show a certain trend.

6. RESEARCH DESIGN

6.1. Descriptive Quantitative Research

The Research involves understanding of various concepts of Mutual Funds and the organizations involved in selling it. Also we need to understand the buying behavior of the consumers from upper and middle segment.

6.2. Sample Type

The sampling type for the consumer survey would be Stratified Random Sampling method. The Customers the Mutual Fund Companies survey would be conducted using Judgemental sampling method.

6.3. Sample Size

Consumer Survey: 500 respondents

Sampling Frame: Individuals in the age group of 18-50 years.

Retailers Survey: 6 Mutual Fund Companies

6.4. Research Area

The Primary data from consumers and the store data will be collected through major Mutual Fund Investors of India like Delhi NCR.

7. STATISTICAL TOOLS AND TECHNIQUES

Statistical tools like N Par test for descriptive analysis, Simple and Multiple Correlation Analysis for viewing casual association among variables, regression analysis for cause effect relation between variables, ANOVA, for testing the significant difference Chi Square Test, for validation of data-Chronbach alpha may be taken in to use in this research work.

8. TENTATIVE CHAPTER PLAN

The tentative chapter plan of the research work is proposed as follows:

Chapter Name	Name of Chapter
Chapter – 1	Introduction
Chapter – 2	Review of Literature
Chapter – 3	Research Methodology
Chapter – 4	Data Collection and Analysis
Chapter – 5	Testing of Hypotheses
Chapter – 6	Conclusion, Recommendations and Suggestions.

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